IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.14 OF 1997

The Commissioner of Income-tax,
Kolhapur .. Applicant.
V/s.
Shri Bhogwati SSK Ltd. .. Respondent.

Mr.A.S. Rao with Mr.Pankaj Kapoor for the applicant.
Mr.S.N. Inamdar with Mr.P. Vaidya for the respondent.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 19TH APRIL, 2005.

P.C. :

1. Heard the learned counsel for the parties. The Tribunal has referred as many as 14 questions for the opinion of this Court. First 12 questions are nothing but various shades of Question No.13 referred to for our opinion. Therefore, answer to Question No.13 if given then question Nos.1 to 12 need not be answered by this Court, becuase answer to Question No.13 takes care of Question Nos.1 to 12. Question Nos.13, 14 and 15 reads as under :

> 13. Whether on the facts and in the circumstances of the case, the Tribunal was justified in treating the non-refundable and refundable deposits as loans, and not as income ?
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> 14. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in holding that interest on Non-refundable/Refundable deposits is allowable deduction ?

2. As regards Question no.13 is concerned, the same is answered on the touchstone of the judgment of

the Apex Court in the case of **Siddheshwar S.S.K. Ltd. V/s. CIT [(2004) 270 ITR 1 (SC)** in the affirmative.

3. So far as Question no.14 is concerned, the Apex Court in the case of Siddheshwar S.S.K. Ltd. (supra) has left the said question open. In this view of the matter, we remand this matter back to the Tribunal with respect to Question No.14 with direction to the Tribunal to consider the issue relating to the Area Development Fund and Cane Development Fund in the light of the judgment of the Apex Court in the case of Siddheshwar S.S.K. Ltd. (supra).

4. The reference accordingly stands disposed of with no order as to costs.

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